

Angel Fire Public Improvement District 2007-1

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PID Board Meeting Minutes

May 14, 2015 at 2:00 pm at the PID Board Room

- A. Call to Order – At 2:00 pm Vice Chairman Rakes called the meeting to order.
- B. Pledge of Allegiance – Vice Chairman Rakes called for the Pledge of Allegiance.
- C. Roll Call - Present were Chairman LeBus (by phone), Vice Chairman Dan Rakes (Chairman Pro Tem), Director Don Borgeson, Director Chuck Verry, and Director Alan Young (by phone). A quorum was present. Also present was Sally Sollars, District Administrator (by phone) and Nann Winter, General Counsel (by phone).
- D. Approval of Agenda – Director Verry moved to approve the agenda. Director Borgeson seconded. The motion carried 4-0.
- E. Approval April 20, 2015 Minutes – Director Verry moved to approve the April 20, 2015 Minutes. Director Borgeson seconded. The motion carried 4-0.
- F. Requests and Responses from the Audience (Limit to 3 minutes) – None.
- G. Announcements and Proclamations – Vice Chairman Rakes announced that Chairman LeBus informed the Board that he was resigning from his position effective as of this meeting. On behalf of the Board, Vice Chairman Rakes thanked Chairman LeBus for all of the time and hard effort he spent on behalf of the District and wished him luck in the future.
- H. Business
 - 1. Consider and Approve Fiscal Year 2016 Preliminary Budget and Resolution 2015-1 – Director Verry moved to approve Fiscal Year 2016 Preliminary Budget and Resolution 2015-1. Director Borgeson seconded. Director Verry reported the Finance Committee met yesterday. The committee recommended a 2% increase in the special levy assessment. Ms. Sollars stated that there is a significant difference between the 2015 and 2016 preliminary cash flow projections. The projected balance at the critical month of November after the \$1M debt service for Fiscal Year 2015 was about \$149K whereas the Fiscal Year 2016 projected balance is \$66K with the 2% increase. She estimated that the actual figures at the end of Fiscal Year 2015 will show the balance as projected, but with only 94% of the budgeted revenue collected.

Ms. Sollars also mentioned that she will be restructuring the Debt Service Fund to include the Prepayment Account to avoid having to continue to transfer money from the General Fund for bond calls. \$300K of prepayments is also included in the projected expenses this next year. These changes should avoid having to submit budget adjustment requests to DFA for Fiscal Year 2016.

Vice Chairman Rakes asked if this budget was just a preliminary, which it is. Ms. Sollars said that there will be two public budget hearings: at the next regular Board Meeting on June 11 and a Special Board Meeting on June 25. The final approval of the budget will take place at the July regular Board Meeting. The final budget must be submitted to DFA by July 31st.

Vice Chairman Rakes questioned a few individual line items. Director Verry said that there was some "fluff" in the numbers to cover unanticipated expenses. He said that the increase represents only about \$40K in revenue. Director Borgeson asked if there were any reserves, of which there are none. Director Young mentioned the coverage report prepared by Taussig showing that if the Board were to choose to keep the assessment level as it is there would not be enough to cover the debt service and administrative expenses by the year 2024. The report assumed the same rate of both prepayments and delinquencies as the past going forward. Ms. Sollars said that it appeared that the Board could not raise the assessment for a couple of years at a time but would periodically need to increase the assessment by 2% unless conditions change significantly.

Vice Chairman Rakes said that he felt that a lot of things can change for the better in the next two years in the real estate market. This would encourage more people to pay the assessments on time and could assist the District in selling foreclosed property. Director Borgeson said that he agreed with Vice Chairman Rakes that the real estate market is improving. Although he said that he was inclined to go with comfort and safety by increasing the levy because the District keeps running into things that were never anticipated and it runs on pretty thin margins. The District is obligated to meet the debt service. Director Young agreed with a conservative approach to budget more than enough revenues to cover expenses.

Vice Chairman Rakes called for a vote. The motion carried 4-1, with Vice Chairman Rakes dissenting.

2. Consider and Approve Beasley, Mitchell & Co. Audit Proposal – Director Young moved to approve Beasley, Mitchell & Co. audit proposal. Director Verry seconded. Ms. Sollars reported that the District's former audit firm had merged with another firm and was no longer willing to serve the District. Three proposals were requested. Two firms responded that even at reduced rates, the cost would be \$10K. Beasley, Mitchell & Co. is on the State Auditor's list of approved audit firms and proposed a cost of \$6,260 for FY15, \$6,448 for FY16 and \$6,642 for FY17. The previous firm cost \$4,900 per year and never raised their rate over six years. The motion carried 4-0.

I. Consent Agenda – Director Verry moved to approve the consent agenda. Director Borgeson seconded. The motion carried 4-0.

1. Stelzner, Winter, et al; Invoice #7946 - \$881.95
2. David Taussig & Associates; Invoice #1503061 - \$3,824.43
3. Angel Fire Computer Guy; Invoice #1348 – \$30.00
4. Kit Carson Electric; Error on invoice to be corrected
5. Sally Sollars; Invoice #59 - \$5,080.14
6. BMWS; May Rent; Invoice #08-0008 73 - \$380.00
7. CenturyLink; Invoice dated 4/25/15 - \$217.95
8. AT&T; Invoice dated 4/1/15 - \$14.74
9. Sangre de Cristo Chronicle; Invoice dated 5/3/15 - \$51.06
10. Postmaster; Invoice due 5/31/15 - \$112.00
11. Transfer Schmitt Filing Fee to Prepay Account - \$25.00
12. Petty Cash Report; Balance \$106.16

K. Reports

1. Administrative Report – Ms. Sollars reported that Kit Carson had submitted incorrect actual cost invoices for County Club 1A that showed payments that were not made. The payments were made for estimated invoices in Angel Fire Village North of which the actual cost invoices have yet to arrive. When requesting estimated invoices for Country Club 1&2 there were two sections that had incorrect station numbers. Andrew Valerio, design engineer with Kit Carson, visited the office where he reviewed the as built drawings to determine the correct station numbers. He also requested that the next subdivision the District wishes to have complete this summer, Angel Fire West Village, be submitted for estimated invoices at this time. Vice Chairman Rakes asked what subdivisions would be left to do after this summer. Those include Country Club 1B, Chalets Unit 4, Chalets 2G, and Chalets 1A.

Ms. Sollars said that Ms. Winter does not expect the attorney for Taxation and Revenue to put into writing her opinion that the District is exempt from property taxes because she is the Tax and Rev attorney and not the Colfax County attorney. Ms. Winter said that she had drafted a letter to Robin Blair, Colfax County attorney, the County tax assessor, and the Tax and Rev attorney and copied to the Colfax County Treasurer, the Colfax County Manager, and the County Commissioners. She said that Mr. Blair said that he agreed that the District is property tax exempt but that the County Assessor has not taken his counsel. Ms. Winter said that this is black letter law that political subdivisions of the State of New Mexico are tax exempt. The pending dismissal of the tax protest monies has been delayed by having to correct Ms. Armstrong's dismissal paperwork. Once the paperwork is in order, the monies held in CD should be released within a month when the CD matures.

An impromptu meeting with Terry Cordova, Village of Angel Fire Clerk, Rick Tafoya, Village Manager, Andy Bertges, Village Fire Chief, and Ms. Sollars this week resulted in the Village agreeing that the PID water improvement contributed to the lowering of property insurance rates due to more fire protection coverage. The project added about 40 hydrants, several miles of new water lines, and 200,000 gallons more storage capacity.

The Village involved the District in its last catch up audit, Fiscal Year 2014. The District improvements had to be valued to include in the Village assets. Ms. Sollars supplied a detailed line item report of the costs, but the Village auditors requested samples of the expenses. These records were delivered to the Village last week.

The April collections are not yet received. The third quarterly report has been submitted to DFA. The Preliminary Budget was presented to the Finance Committee. Ms. Sollars will hand deliver the Preliminary Budget to DFA, while she also meets the newest budget analyst assigned to the District. The audit contract request has been submitted to the State Auditor. Prepayment requests have been coming in without Ms. Sollars having talked with the property owner prior. Ms. Sollars attributed the improved website for this.

David Taussig and Associates have all the District property and assessment information in its database. It is just now beginning to allow remote access to other entities. The cost for the District to assess the information would be \$500 per year. Ms. Sollars said that the records in our office are on individual spreadsheets and it would be unwieldy to try to consolidate all the information on a spreadsheet. She will inquire about a test run at no cost and report back to the Board how helpful this might be going forward.

Ms. Sollars reminded the Sales Committee that it is time for a meeting soon to determine prices on the District properties for this sales season.

2. Finance Committee Report – Ms. Sollars reported that the Finance Committee met yesterday. The most important points were discussed in Business.
 3. Treasurer's Report – Ms. Sollars asked if everyone got the Treasurer's Report and if there were any questions. There were none.
- L. Adjournment – Vice Chairman Rakes adjourned the meeting at 2:58 pm.

Next Regular PID Board Meeting will be June 11, 2015

Charles Verry

Chuck Verry, Chairman Pro Tem

ATTEST: Sollars
Sally Sollars, District Administrator